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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 09/11/08

Index:

Election fever:

- 1) Taro Aso grabs lead in LDP's five-way presidential race (Asahi)
- 2) Yomiuri survey of LDP lawmakers shows Aso now commanding a majority lead (Yomiuri)
- 3) Nikkei survey finds Aso enjoying a majority of supporters among local LDP chapter heads (Nikkei)
- 4) Neither candidate Aso nor former defense chief Ishiba wants to form "grand alliance" with the DPJ to solve the "twisted Diet" power imbalance (Mainichi)
- 5) The five LDP presidential candidates all profess support for extending the MSDF refueling mission in the Indian Ocean (Nikkei)
- 6) Opposition parties sharply criticize the LDP presidential race, predicting it signifies "the beginning of the end of the LDP" (Sankei)
- 7) Opposition camp ridicules the LDP presidential race as "just like a festival show" (Yomiuri)

Economic agenda:

- 8) Aso wants to pass supplementary budget during the upcoming extraordinary Diet session, raising doubts about timing of Diet dissolution (Tokyo Shimbun)
- 9) Chief Cabinet Secretary Machimura says the supplementary budget will be submitted to the Diet on Sept. 29 (Yomiuri)
- 10) Departure of ASDF from Iraq transport duty to start late this year, when the authorizing UN resolution expires (Yomiuri)
- 11) Rumors that Kim Jong Il is seriously ill spark more rumors that military now in charge, raising nuclear concerns; Two commentators

assess the DPRK situation (Yomiuri)

#### Articles:

##### 1) Aso gains upper hand in LDP presidential race

ASAHI (Top Play) (Slightly abridged)  
September 11, 2008

The ruling Liberal Democratic Party (LDP) yesterday officially kicked off the campaign for its Sept. 22 presidential election. The LDP has given a total of 141 votes to its prefectural chapters -- three votes to each prefectural chapter. The Asahi Shimbun has found that Secretary General Taro Aso has the advantage in the local chapters. As he has gained support from the 386 LDP lawmakers, if this trend continues, the possibility is strong that he will win a majority in the first casting of votes.

Besides Aso, former policy chief Nobuteru Ishihara, 51, former Defense Minister Yuri Kato, 56, former Defense Minister Shigeru Ishiba, 51, and Economic and Policy Minister Kaoru Yosano, 70, are running in the LDP leadership race.

The 47 prefectural chapters will decide for whom they will vote based on the results of voting by rank and file party members. When Asahi asked local chapters' senior members about their predictions, 30 chapters mentioned the names of candidates who they assumed would win the election. Of the 30 prefectures, 29, excluding Tottori, where Ishiba comes from, were expected to vote for Aso.

TOKYO 00002499 002 OF 008

Ibaraki, Saitama, Chiba, Kanagawa, Niigata, Yamaguchi and Fukuoka have decided to give all three votes to a candidate who garners the largest number of votes from rank and file party members. The outlook is therefore that all votes that these prefectures have will go to Aso.

Fukushima and Miyazaki, which have adopted a system under which the three votes are allotted to candidates in proportion to the number of votes they receive from rank and file party members, said that they would vote for Aso. In addition to these two prefectures, Akita, Tochigi, Ishikawa, Yamanashi, Shizuoka, Mie, Osaka, Hyogo, Tokushima, Saga, and Okinawa said that Aso would gain two or three votes.

Asked why they predict Aso will have the advantage, a senior Fukushima chapter member said: "He has dispatched a clear message that economic measures are important since he knows local economies face predicaments." A senior Ishikawa chapter member said: "He is giving consideration in economic policy measures to local areas. He can be relied on to lead the LDP into the next Lower House election." They appreciated Aso's high-profile and his aggressive fiscal disbursement plan.

Tottori said that it would give three votes to Ishiba. Tokushima, too, mentioned his name. Hyogo and Okinawa said that the possibility was high that their votes would go to Koike. Hyogo is Koike's former electoral turf. Koike is popular in Okinawa, since she once served as minister in charge of Okinawa affairs. However, four candidates, excluding Aso, have not gained support, so far.

Meanwhile, 17 prefectural chapters said they had no idea or refrained from answering, in order to avoid any impact on the voting. There is a possibility that the situation will change during the campaigning.

Yesterday, 125 lawmakers from all 8 LDP factions attended a ceremony to start Aso's campaign for the race. About 20 members took part in four other candidates' ceremonies. Following former Prime Minister Yoshiro Mori, a supreme advisor to the Machimura faction, the largest in the party, former Prime Minister Shinzo Abe yesterday revealed his intention to back Aso. The Ibuki faction, the membership of 28, and the Nikai faction, which has 16 members, have already announced their support for Aso. Masahiko Koumura, who heads a 15-member faction, yesterday clarified his support for Aso.

## 2) More than half of LDP lawmakers backing Aso

YOMIURI (Top play) (Abridged)  
September 11, 2008

The ruling Liberal Democratic Party has now kicked off its presidential election with voting and vote counting set for Sept. 22. LDP Secretary General Taro Aso, 67, and four other LDP lawmakers filed their candidacies yesterday and opened their 12-day campaign battle. The LDP and its coalition partner, the New Komeito, are coordinating to dissolve the House of Representatives in early October, so the LDP race will be an election to pick an 'election campaigning face' for a showdown with Democratic Party of Japan (Minshuto) President Ozawa in the next general election for the House of Representatives. The LDP has a total of 386 lawmakers in the Diet's lower and upper chambers. Aso is gaining more support among them, and he is now certain to secure 197 votes, more than

TOKYO 00002499 003 OF 008

half of their votes. Meanwhile, the LDP's local chapters, each of which has a balloting slot of three votes, have a total of 141 votes. The five candidates are now trying desperately to lock on the local votes.

The five candidates running in the LDP presidential race are Aso, former Defense Minister Yuriko Koike, 56, from the Machimura faction, Economic and Fiscal Policy Minister Kaoru Yosano, 70, unaffiliated with any faction, former LDP Policy Research Council Chairman Nobuteru Ishihara, 51, from the Yamasaki faction, and former Defense Minister Shigeru Ishiba, 51, from the Tsushima faction. The LDP will hold a meeting of its lawmakers from both houses on Sept. 22. On that occasion, the LDP's 386 lawmakers and three representatives from each of the LDP's prefectural federations will cast their votes to elect the new LDP president.

The Yomiuri Shimbun looked into trends in the voting attitudes of LDP Diet members. As of yesterday evening, Aso was backed by 197 persons (51 PERCENT), standing above all others. Yosano was backed by 34 persons (9 PERCENT), Koike-29 persons (8 PERCENT), Ishihara-24 persons (6 PERCENT), and Ishiba-24 persons (6 PERCENT). About 20 PERCENT of the LDP's lawmakers have yet to clarify their attitudes.

Aso has gained a wider base of support in all eight LDP factions. He is now certain to get support from his own 20-member faction and 16-member Nikai faction. In addition, he has support from more than half of the 88-member Machimura faction, which is the largest of all factions in the LDP, and has support from the greater part of the 28-member Ibuki faction and the 15-member Koumura faction. More than 20 persons in each of the Tsushima faction, which has 69 members for voting, and the 62-member Koga faction have also clarified their support for Aso.

## 3) More than half of LDP's prefectural leaders backing Aso

NIKKEI (Page 2) (Abridged)  
September 11, 2008

The Nihon Keizai Shimbun conducted a questionnaire survey of prefectural-level executive officers of the ruling Liberal Democratic Party over the now-announced LDP presidential election, which is set for Sept. 22. In the survey, they were asked to pick the most desirable candidate for the LDP presidency. In response, executives from 26 of the LDP's 47 prefectural federations chose LDP Secretary General Taro Aso. They are apparently pinning their hopes on Aso for his advocacy of economic pump-priming measures. Meanwhile, the House of Representatives is expected to be dissolved soon for a general election. With an eye on this potential snap election, many of the LDP's local executives also want their local economies to be boosted. This issue will likely be a point of contention in the LDP race.

Among those supporting Aso, "his policies are good" was the most common reason. This answer came from 18 LDP prefectural federations-or about 70 PERCENT of those that support Aso. Among

other reasons, "he has national popularity" and "he has leadership ability" were given by 12 LDP prefectural federations.

Aso has been pushing for a comprehensive economic stimulus package. In his campaign pledge as well, Aso has advocated implementing economic measures and an across-the-board fixed-amount tax break.

TOKYO 00002499 004 OF 008

His economy-first standpoint is believed to be a reason for his securing so much support from local party leaders. Aso is highly popular, so many of them want him to become the next LDP president for a potential snap election.

4) LDP presidential race: Aso, Ishiba negative about "grand coalition" (with DPJ), while Yosano and others positive

MAINICHI (Page 1) (Excerpts)  
September 11, 2008

The campaign for the Liberal Democratic Party presidential election on Sept. 22 kicked off yesterday, with five candidates filing their candidacies. In a joint press conference held by the five candidates, Secretary General Taro Aso, who is seen as the most promising candidate, pointed out that economic policy would be the main campaign issue for the next House of Representatives election, which is likely to be officially announced on Oct. 28 and take place on Nov. 9. State Minister for Economic and Fiscal Policy Kaoru Yosano said that it was desirable to dissolve the Lower House after the supplementary budget bill clears the Diet. Asked about the concept of a grand coalition with the Democratic Party of Japan, Aso and former Defense Minister Shigeru Ishiba ruled out the possibility, but Yosano, former Policy Research Council Chairman Nobuteru Ishihara, and former Defense Minister Yuriko Koike took a positive view.

Aso said this about the possibility of forming a grand coalition: "It is extremely difficult to realize the idea under the single-seat constituency system." Ishiba also flatly rejected it, saying: "Such a notion ignores the public will, so it something that is beyond my understanding. It is meaningless for parties with different policy stances to join hands."

But Yosano said: "The divided Diet situation will remain unchanged even after the Lower House election. That should become important homework for the LDP." Ishihara stated: "It is fully conceivable as a political technique. The next prime minister must prepare the next hand of cards, including the possibility of forming a grand coalition; otherwise, the current divided situation will never be changed." Koike remarked: "I think that a variety of dynamism might come out depending on how one party wins and how another loses in the next general election. It might be an option for political parties with the same policy direction to team up."

5) LDP presidential candidates call for continuation of refueling mission

NIKKEI (Page 2) (Abridged)  
September 11, 2008

Five LDP lawmakers running in the party presidential race have played up to the New Komeito and the public the need for an early enactment of a bill extending the Indian Ocean refueling legislation, which is due to expire next January,. At the same time, they all failed to propose clear ways to break the impasse in the divided Diet

Former Defense Minister Shigeru Ishiba cited foreign and security policies as the campaign issues for the next Lower House election. Calling himself a defense expert, Ishiba referred not only to the extension of the refueling mission but also the enactment of a

TOKYO 00002499 005 OF 008

permanent law enabling the country to dispatch the SDF overseas, as necessary.

Yuriko Koike highlighted the cost effectiveness of the extension of the refueling mission, saying: "A growing threat to the sea lanes would push up ship insurance. The cost of nautical shipping insurance would become much higher." Kaoru Yosano noted for enacting the refueling extension legislation in the next extraordinary Diet session: "No matter what, we must convince the New Komeito and ask the cooperation of other parties."

Taro Aso indicated that the stage is being set to pull the Air Self-Defense Force out of Iraq, adding: "It is unconceivable for Japan alone to leave the Indian Ocean."

Nobuteru Ishihara also expressed concern, saying: "(Pulling out of the Indian Ocean) would end up sending the message that Japan would not join the war on terror on its own circumstances." As for ways to break the gridlock in the current Diet, Koike vowed to offer an explanation easy to understand, and Aso underlined the need to make efforts to win public understanding.

6) Opposition parties criticize LDP presidential race as beginning of end of party

SANKEI (Page 5) (Abridged slightly)  
September 11, 2008

In the wake of the official announcement of the LDP presidential race yesterday, opposition parties expressed scathing views about the party.

Democratic Party of Japan Diet Affairs Committee Chairman Kenji Yamaoka told a group of reporters in the Diet building: "(All the candidates are now lined up), and I somehow feel this is the end of that party. The fissure in the LDP will deepen. Today is the beginning of the end of the LDP."

Japanese Communist Party Chairman Kazuo Shii told the press corps in Tokyo: "It is utterly wrong to think that the cheerful (presidential campaigning), while turning a blind eye to the people's livelihood, would help win national popularity."

Social Democratic Party head Mizuho Fukushima told reporters: "The LDP is conducting its presidential race for the sake of the next Lower House election. The party is ignoring the people." People's New Party Secretary General Kamei also said: "Two consecutive prime ministers walked off the job, but (no candidate) has offered an apology for it."

7) Opposition parties criticize LDP presidential election

YOMIURI (Page 3) (Full)  
September 11, 2008

Opposition parties yesterday leveled criticism at the ruling Liberal Democratic Party's presidential election.

Yukio Hatoyama, secretary general of the Democratic Party of Japan (DPJ), told the press corps:

"I haven't heard any comments from them that they are sorry for

TOKYO 00002499 006 OF 008

dealing a blow to the national interest by creating a political vacuum through their presidential election. They appear to be practicing for a general election."

DPJ Diet Affairs Committee Chairman Kenji Yamaoka also said to reporters: "It is an entertainment show for the LDP and by the LDP. The start of the presidential campaign is also the beginning of the end of the LDP. "

Japanese Communist Party Chairman Kazuo Shii pointed out: "All five candidates served in the Koizumi cabinet. Whoever wins, there will be no bright prospects for Japanese politics." Social Democratic Party Chairperson Mizuho Fukushima made a critical comment at a press conference: "The LDP is trying to change its surface alone,

not its contents."

8) Aso: Supplementary budget bill must be enacted in extra Diet session

TOKYO SHIMBUN (Page 2) (Full)  
September 11, 2008

On a TV program last night, Secretary General Aso indicated his determination to have the fiscal 2008 supplementary budget bill to finance comprehensive economic measures passed in the upcoming extraordinary Diet session. Aso said: "I think the issue must be urgently addressed. We must pass the extra budget bill into law."

A supplementary budget bill is voted on in the House of Representatives first prior to voting in the House of Councillors. If the Lower House is dissolved before the bill is voted on in the Upper House, the bill will be scrapped. If the government and the ruling camp decide to have the bill clear the upcoming Diet session but in the event that the opposition camp delays the vote in the Upper House, the bill will be automatically enacted 30 days after it clears the Lower House. In such a case, the successor to outgoing Prime Minister Fukuda will have to wait until after the dissolution of the Lower House for the bill to clear the Diet.

9) Chief cabinet secretary reveals plan to submit extra budget bill to Diet on Sept. 29

YOMIURI (Page 4) (Full)  
September 11, 2008

In a meeting of the Liberal Democratic Party's Machimura faction yesterday, Chief Cabinet Secretary Machimura indicated that a supplementary budget for fiscal 2008 would be submitted to the Diet on Sept. 29. He said: "Preparations are steadily going ahead to submit the extra budget bill after the new party president is elected. I believe we will be able to present it possibly on the 29th." He also said that a bill amending the New Antiterrorism Special Measures Law and bills related to establishment of a consumer agency will be adopted at a cabinet meeting on the 19th.

10) ASDF likely to pull out of Iraq within year

YOMIURI (Page 1) (Full)  
September 11, 2008

The Air Self-Defense Force, currently on an airlift mission in Iraq to help with its reconstruction, will likely be withdrawn later this

TOKYO 00002499 007 OF 008

year, government officials said yesterday. This is partly because a United Nations resolution, under which multinational forces are operating in Iraq, will expire at the end of this December. In addition, U.S. President Bush has announced a plan to reduce 8,000 U.S. troops in Iraq by early next year. The government is expected to announce a pullout plan shortly.

Liberal Democratic Party Secretary General Aso attended a joint press conference yesterday with other LDP candidates running in the LDP's presidential election where he implied that the time to recall the ASDF is nearing. "When we take a look at the present situation in Iraq, there is a situation being created for the ASDF to be withdrawn," Aso said. Meanwhile, a senior Foreign Ministry official also said yesterday evening, "This time around, we may now consider withdrawing the ASDF." According to government officials, the U.S. government has also shown understanding for the ASDF's pullout.

The ASDF mission in Iraq is based on the Iraq Special Measures Law, a time-limited law set to run out at the last day of July next year. However, the Democratic Party of Japan (Minshuto), the largest of all political parties in the House of Councillors, is calling for the ASDF to be withdrawn.

The government will now focus on backing up the war on terror in Afghanistan. Meanwhile, the Diet will soon open an extraordinary session, during which the government will do its utmost to amend the

new Antiterrorism Special Measures Law in order to continue the Maritime Self-Defense Force's refueling activities in the Indian Ocean.

11) U.S. alarmed that North Korean military may be seizing power and hardening its stance on nuclear issue

YOMIURI (Page 7) (Excerpts)  
September 11, 2008

Etsunari Kurose, Washington

The rumor of the deterioration of the health of North Korean leader Kim Jong Il originated from U.S. authorities raced around the world via U.S. media since Sept. 9. The uproar can be said to reflect the Bush administration's sense of alarm about the news. The U.S. administration is on high alert, deeming that in the event the military hardliners seize real power after Kim Jong Il falls from power, the North would inevitably promote nuclear armament and further harden its confrontational stand against the United States.

Kim's absence unconnected with suspended disablement work

By Hajime Izumi, professor, University of Shizuoka

In view of past cases, North Korean leader Kim Jong Il should have attended the 60th anniversary military parade. His absence was unexpected. Some kind of unusual event must have occurred.

There is no doubt that there was a good reason for it. Was it an illness, injury, or something else? Given the fragmentary information, making a decision at this point is difficult. His movements have not been reported since mid-August, but there have been similar absences in the past.

Pyongyang announced on Aug. 26 that it had suspended the nuclear

TOKYO 00002499 008 OF 008

disablement work that came out of the six-party agreement. It is a stretch to link this to Kim being seriously ill and conclude that was why the North has taken extreme action. This is North Korea's usual ploy to apply pressure on the United States and we can expect to play that card in the course of negotiations. It is not that the North has suddenly changed its attitude.

In any event, the problem is that Kim Jong Il has yet to determine his successor. If he is seriously ill and cannot make decisions, as was reported, the National Defense Commission, the country's highest military leadership organ, would push ahead with the selection.

No turmoil even if Kim Jong Il dies

By Paek Sung Ju, Korea Institute for Defense Analyses

Kim Jong Il's absence from the 60th anniversary parade points to a high likelihood of a grave change in his health.

Whether there will be any change to the North's power structure depends on the condition of his illness. Is he unable to conduct state affairs or is he undergoing treatment temporarily? The situation can change significantly. In either case, the question of transferring power would take shape.

Even if Kim Jong Il dies, I do not think the North will be thrown into turmoil suddenly. In such a case, the North would adopt an emergency state management system led by the Korean Workers Party Central Committee, not the National Defense Commission. The NDC does not have nationwide organizational power, so the country would have to maintain the system centering on the KWP that has complete networks in society.

The country would hold onto the nuclear programs. Chances are high that the military will put forward a sterner position than before and there will be change in its stance in talks with the United States on the nuclear issue.

To become Kim's successor, a contest is expected between his eldest son Jong Nam and his second son Jong Chol. Jong Nam seems to have an edge for he is being backed by Chong Song Taek, a party executive and the husband of a sister of Kim Jong Il. Some take the view that Kim Ok, Kim Jong Il's current wife, will wield influence, but she would lose power with the death of her husband.

ZUMWALT